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Financing of the United Nations Multidimensional Integrated Stabilization Mission in Mali

Cash Position of the United Nations Multidimensional Integrated Stabilization Mission in Mali as at 9 October 2015

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 69/289 A of 19 June 2015, wherein the General Assembly authorized the Secretary-General to enter into commitments in a total amount not exceeding $80,336,300 for the period from 1 July 2014 to 30 June 2015 for the maintenance of the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA), and requested the Secretary-General, on an exceptional basis, to report upon the cash position of the Mission during the main part of its seventieth session.

Preliminary results for the financial period from 1 July 2014 to 30 June 2015 indicate cumulative expenditure of $906,199,000 for the maintenance of the Mission, as compared to approved resources of $911,038,000 (including the authority to enter into commitments), representing marginal underutilization of $4,839,000 (or 0.5 per cent). In this context, the commitment authority granted to the Secretary-General by the General Assembly has been substantially utilized. Subject to finalization, actual expenditure will be addressed in the performance report for MINUSMA for the same period, to be presented to the General Assembly at the second part of its resumed seventieth session.

The General Assembly is requested to take note of the present report.

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I. Introduction

1. The Security Council, by its resolution 2164 (2014) of 25 June 2014, extended the mandate of the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) until 30 June 2015. By the same resolution, the Council requested that the Secretary-General take the necessary steps to enable MINUSMA to reach its full operational capacity as soon as possible in the context of a new Force laydown, and called upon Member States to provide troops and police with adequate capabilities and equipment, including enablers, in order for MINUSMA to fulfil its mandate.

2. It will be recalled that in his note to the General Assembly on the financing arrangements for the Mission for the period from 1 July 2014 to 30 June 2015 (A/69/828), the Secretary-General informed the Assembly that when the approved budget for MINUSMA for the financial period 2014/15[1] was formulated, no provision was made for the new Force laydown or the expansion of its presence in the north of Mali beyond key population centres and the associated infrastructure investments (A/69/828, para. 5).

3. To enable the Mission to support an action plan to counter improvised explosive devices, improve Force protection capabilities and enhance the national capacity of the Malian defence and security forces to counter improvised explosive devices, and to expand and enhance the Mission's infrastructure network in the north of Mali, the Secretary-General requested that the General Assembly appropriate and assess the amount of $80,336,300 for the period from 1 July 2014 to 30 June 2015 in addition to the amount of $830,701,700 already approved for the maintenance of the Mission for the same period under the terms of Assembly resolution 68/259 B (A/69/828, para. 8). This would provide an approved total of $911,038,000 for the maintenance of the Mission.

4. By its resolution 69/289, the General Assembly endorsed the view and recommendation of the Advisory Committee on Administrative and Budgetary Questions (A/69/889, para. 10), namely that there was no need for an additional appropriation or assessment at that stage, and authorized the Secretary-General to enter into commitments, for a total amount not exceeding $80,336,300 for the period from 1 July 2014 to 30 June 2015 for the maintenance of the Mission, in addition to the amount of $895,534,000[2] previously appropriated for the same period under the terms of its resolution 68/259 B.

5. The General Assembly requested the Secretary-General to keep the cash position of the Mission under review and, on an exceptional basis, to report thereon during the main part of its seventieth session. The present report provides information on the cash position of MINUSMA as at 9 October 2015.

6. The Security Council, by its resolution 2227 (2015) of 29 June 2015 extended the mandate of MINUSMA until 30 June 2016.

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[1] By its resolution 68/259 B of 30 June 2014, the General Assembly appropriated to the Special Account for MINUSMA the amount of $895,534,000 for the period from 1 July 2014 to 30 June 2015, inclusive of $830,701,700 for the maintenance of the Mission, $53,752,200 for the support account for peacekeeping operations and $11,080,100 for the United Nations Logistics Base at Brindisi, Italy. Those amounts have been assessed on Member States.

[2] Ibid.

II. Cash position of MINUSMA as at 9 October 2015

Financial performance for the period 1 July 2014 to 30 June 2015

7. Details on actual expenditure for the financial period 1 July 2014 to 30 June 2015 as compared to approved resources for the period will be included in the forthcoming performance report for MINUSMA, to be presented to the General Assembly at the second resumed part of its seventieth session. The performance report for MINUSMA is still under review, but preliminary figures for the financial period show total expenditure for the maintenance of the Mission at $906,199,000, against approved resources of $911,038,000, reflecting underutilization of $4,839,000, or 0.5 per cent. At the end of June 2015, $605,769,000 had been disbursed in payments, with $300,430,000 remaining in unliquidated obligations.

8. According to the preliminary unaudited financial statements for United Nations peacekeeping operations for the financial period 2014/15, as at 30 June 2015, cash, cash equivalents and investments amounted to $330,137,000, and cumulative assessments receivable from Member States totalled $30,728,000 (see table 1).

9. Assuming the Mission's proportionate share ($251,568,000) of the United Nations investment pool can be liquidated readily, it follows that cash, cash equivalents and investments would be adequate to meet the obligations of the Mission for the financial period 2014/15 as they fall due.

Table 1
MINUSMA: summary of financial performance for the period from 1 July 2014 to 30 June 2015
(Thousands of United States dollars)

	Amount
Approved resources for maintenance of Mission	
Appropriation (resolution 68/259 B)	830 701.7
Commitment authority (resolution 69/289 A)	80 336.3
Subtotal (A)	**911 038.0**
Expenditure for 2014/15[a]	
Disbursements	(605 769.0)
Unliquidated obligations	(300 430.0)
Subtotal (B)	**(906 199.0)**
Net unutilized approved resources, A and B	**4 839.0**
Cash, cash equivalents and investments as at 30 June 2015[a,b,c]	**330 137.0**
Assessments receivable as at 30 June 2015	
Financial period 2012/13	3 620.4
Financial period 2013/14	4 145.1
Financial period 2014/15	22 962.5
Total	**30 728.0**
Unliquidated obligations (see B, expenditure for 2014/15)	**(300 430.0)**

(Footnotes on following page)

(Footnotes to table 1)

Notes:

[a] Based on the preliminary unaudited financial statements for the United Nations peacekeeping operations for the financial period 1 July 2014 to 30 June 2015.

[b] Cash and cash equivalents, comprising cash at bank and on hand, and short-term, highly liquid investments with a maturity of three months or less from the date of acquisition.

[c] The United Nations Treasury invests funds pooled from United Nations Secretariat entities and other participating entities. The pooled funds are combined in two internally managed cash pools.

Projected cash flow from 9 October to 31 December 2015

10. As at 9 October 2015, cash on hand for the Mission amounted to $540,400,000, while the three-month operating reserve stood at $167,402,100, resulting in a cash balance of $372,997,900. It is estimated that a total of $52,953,000 will be required to cover the cost of reimbursement payments to contributing Governments for the services rendered by their contingents in MINUSMA with respect to troops and formed police personnel for the months of September and October 2015 ($29,454,000) and contingent-owned major equipment and self-sustainment certified for the first quarter of the financial period 2015/16 ($23,499,000), at the next scheduled quarterly payments in December 2015. On the basis of the current cash position, it is envisaged that the Mission will have sufficient cash reserves for payments to the end of December 2015 (see table 2).

Table 2

Summary of projected cash flow from 9 October to 31 December 2015

(Thousands of United States dollars)

	Projected expenditure to 31 December 2015	*Total*
Available cash		
Cash on hand as at 9 October 2015		540 400.0
Less three-month operating reserve		(167 402.1)
Subtotal		**372 997.9**
Estimated troop and formed police unit payments, contingent-owned equipment reimbursement and operating costs		
Troop and formed police unit payments (December 2015)	(29 454.0)	
Contingent-owned equipment reimbursements (December 2015)	(23 499.0)	
Operating costs (October-December 2015)	(167 402.1)	
Subtotal		**(220 355.1)**
Net balance as at 31 December 2015		**152 642.8**

11. Table 2 does not reflect the following estimated cash flows for the period 9 October 2015 to 31 December 2015: (a) cash outflows from the liquidation of outstanding obligations for the 2014/15 financial period, which amounted to $171,138,200 as at 9 October 2015; and (b) cash inflows from the pending receipt of outstanding assessments upon Member States, which amounted to $104,669,400 as at 9 October 2015.

Projected cash flows from 9 October 2015 to 30 June 2016

12. As at 9 October 2015, the total assessed on Member States for the maintenance and operation of the Mission since its inception amounted to $2,029,875,000, while contributions received totalled $1,925,205,600, resulting in unpaid assessed contributions to the Special Account for MINUSMA in the amount of $104,669,400, or 5.2 per cent of the total amount assessed on Member States.

13. It will be recalled that under the terms of General Assembly resolution 69/289 B, the appropriation for the financial period 2015/16 is to be assessed upon Member States in two equal tranches: 1 July to 31 December 2015 ($484,506,950) and 1 January to 30 June 2016 ($484,506,950). The first tranche took effect in July 2015. The second tranche, which is subject to the decision of the General Assembly on the applicable scale of assessment for United Nations peacekeeping operations for the year 2016, is anticipated at the end of 2015.

14. An analysis of projected cash flows for MINUSMA from 9 October 2015 to 30 June 2016 is set out in table 3 below.

Table 3
Summary of projected cash flows from 9 October 2015 to 30 June 2016
(Thousands of United States dollars)

	Projected expenditure to 30 June 2016	*Total*
Available cash		
Cash on hand as at 9 October 2015		540 400.0
Less three-month operating reserve		(167 402.1)
Subtotal		**372 997.9**
Estimated troop and formed police unit payments, contingent-owned equipment reimbursements and operating costs		
December 2015	(52 953.0)	
March 2016	(67 680.0)	
June 2016	(82 407.0)	
Operating costs (October 2015-June 2016)	(502 206.2)	
Subtotal		**(705 246.2)**
Total cash requirements to 30 June 2016		**(332 248.3)**
Assessments receivable		
Financial period 2012/13		3 576.3
Financial period 2013/14		4 114.5
Financial period 2014/15		21 986.9
Financial period 2015/16 — tranche 1		74 991.7
Subtotal		**104 669.4**
Pending assessments[a]		
Financial period 2015/16 — tranche 2 (January 2016)		484 507.0
Subtotal		**484 507.0**
Total potential cash inflows to 30 June 2016 (tranches 1 and 2)		**589 176.4**

(Footnote on following page)

(Footnote to table 3)

Note:

[a] Pending approval by the General Assembly of the scale of assessments for peacekeeping operations for the year 2016.

15. The projected cash flows do not reflect outflows from the settlement of outstanding obligations from the 2014/15 financial period, which amounted to $171,138,200 on 9 October 2015. As indicated in table 3, cash sufficiency will be sensitive to the timely receipt of contributions for the second tranche of assessments upon Member States in respect of MINUSMA for the 2015/16 financial period.

III. Trend in cash position of MINUSMA

16. While the payment of assessed contributions from Member States resulted in a significant improvement in the cash position of MINUSMA during the second quarter of the 2014/15 financial period (see annex), a steady decline in its relative cash position in the magnitude of 68.2 per cent occurred during the period from December 2014 to July 2015. The decline in the Mission's cash position reflected the impact of reimbursement payments to the Governments of troop- and police-contributing countries in the amount of $183,801,800, consisting of $120,706,100 for troop and formed police personnel costs in March, June and September 2015 for services rendered up to 31 August 2015 and $63,095,700 for contingent-owned major equipment and self-sustainment for claims certified up to 30 June 2015. Also included were the costs associated with the operational requirements of the Mission, particularly regarding enhancements of its infrastructure and information technology network as well as mine detection and mine-clearing services.

17. In the light of the foregoing, and assuming timely receipt of outstanding and future assessed contributions for the 2015/16 financial period, it is envisaged that the Mission will have sufficient flexibility in the management of its Special Account to meet its cash liabilities until 30 June 2016. As mentioned previously in the present report, the commitment authority granted to the Secretary-General by the General Assembly in relation to MINUSMA has been utilized and will require appropriations and assessments on Member States. The issue will be addressed in the context of the performance report of MINUSMA for the 2014/15 financial period, to be considered by the Assembly during the second resumed part of its seventieth session.

IV. Action to be taken by the General Assembly

18. **The General Assembly is requested to take note of the present report.**

Annex

MINUSMA: trend in cash position, 30 September 2014-30 September 2015

(Thousands of United States dollars)

	29 Sep 14	*27 Oct 14*	*24 Nov 14*	*29 Dec 14*	*26 Jan 15*	*23 Feb 15*	*30 Mar 15*	*27 Apr 15*	*18 May 15*	*29 Jun 15*	*27 Jul 15*	*31 Aug 15*	*30 Sep 15*
Cash on hand	316 200.0	711 300.0	677 000.0	708 500.0	648 100.0	612 800.0	503 800.0	471 100.0	443 200.0	333 300.0	225 500.0	246 500.0	419 700.0
3 months operating reserve[a]	207 675.4	207 675.4	147 285.4	147 285.4	147 285.4	147 285.4	147 285.4	154 948.4	154 948.4	147 285.4	147 285.4	167 402.1	167 402.1
Remaining cash after 3 months operating reserve[b]	108 524.6	503 624.6	529 714.6	561 214.6	500 814.6	465 514.6	356 514.6	316 151.6	288 251.6	186 014.6	78 214.6	79 097.9	252 297.9

[a] Excludes reimbursements for troop- and police-contributing countries.
[b] The amount of cash available allows for the reimbursement of troop- and police-contributing countries.